

## Economics 425(L01) (International Trade)

Instructor: M. Scott Taylor  
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Lecture Location: SA 129  
Lecture Days/Time: MWF 10:00 – 10:50

Office: SS 428  
Office hours: TBA

Fall 2017

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### Course Description:

This course provides a detailed explanation of trade flows, gains from trade and trade policy measures and considers such issues as: comparative advantage; trade with economies of scale; strategic trade policy in the presence of imperfect competition; trade, growth and technological change; trade-related aspects of intellectual property; and trade, trade policy and the environment. The course examines the nature, causes and consequences of international trade in order to provide the basis for analyzing aspects of trade policy such as regional preferential trading arrangements such as NAFTA and the European Union, and global trading arrangements such as the World Trade Organization.

The Department of Economics offers two senior level international economics courses, Economics 425 (International Trade II) and Economics 423 (International Macroeconomics). Economics 425 provides students with a more detailed explanation of trade flows and goes on to consider issues such as: strategic trade policy in the presence of imperfect competition; trade, growth and technological change; trade-related aspects of intellectual property; and trade, trade policy and the environment. Economics 423 examines international economics from a macro-economic perspective including the financial side of international economics such as exchange rates.

**Course Objectives/Learning Outcomes:** By the end of this course the student will have a very good understanding of the determinants of world trade patterns and the volume of trade flows. They will understand the positive and normative implications of international trade for citizens, and understand the incentives governments have to intervene in international markets. They will also understand how international trade can affect the employment and wages of workers, how it affects environmental outcomes, and how international trade can affect the extent of child labor.

### Course Outline:

#### Part One: Engines of Globalization

This section of the course discusses the two motivations for international trade across countries: comparative advantage, and the exploitation of increasing returns technologies. I expect this section of the course to take four weeks ending with the first midterm.

Chapters 1, 2, 3 and 4 (perhaps 5 and 6 instead of 3 and 4).

#### Part Two: Politics and Policy in the World of Economy

This section of the course turns to examine trade policy by examining the welfare consequences of trade and the effects of trade policy. It does so by introducing models of international trade that allow us to

identify workers and capital owners, and to discuss how factor returns are impacted by trade policy. I expect this part of the course to take four weeks ending with the second midterm.

Chapters 5, 6, and 7, parts of 8, 9, 10 (perhaps 3 and 4 instead of 5 and 6).

### **Part Three: Current Controversies**

This part of the course examines two hot issues in international policy discussions. The first concerns immigration and its impact on existing workers and how open economies deal with labor inflows. The second examines the role trade may play in shifting dirty or dangerous industries to poor less developed countries, and what this may mean for pollution levels worldwide. This part of the course will take the remaining time and may be shorter or longer depending on our progress. This material will be tested in the take home exam component.

Chapters 12 & 13

**Prerequisites/corequisites:** ECON 357

#### **Required Textbook(s):**

**International Trade John McLaren Wiley 2013 ISBN-13: 978-0-470-40879-7.** The book comes with a full set of slides, practice questions and some quizzes all which will be made available to the students. My lectures will broadly follow the book, but will include more technical and difficult material and will require a more in depth understanding of the arguments that is present in the book or the slides. The Chapter references above are what is currently planned, but I may alter the order of presentation order somewhat. For example, chapter 5 and 6 may come earlier and 3 and 4 later. Additional materials will be available on D2L. Reading the book and slides will not be a good strategy in passing the course.

#### **Recommended Textbook(s):**

None

#### **Books on Reserve:**

None

#### **Desire2Learn:**

This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that will be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

#### **Grade Determination and Final Examination Details:**

There will be three examinations. One of the examinations will be a take home exam given the last day of classes Friday December 8<sup>th</sup>, and will be due by midnight December 15<sup>th</sup>. The other two will be in class midterms. These three exams will constitute 100% of the final mark and are equally weighted.

In addition, there will be 6-8 assignments handed out in class. These assignments will have due dates (approximately 10 days from receiving them) and will be marked and returned to the students, but their contribution to your final grade is 0%. Obtaining a passing grade on at least 80% of these assignments is NECESSARY for passing the course. Answer keys for the assignments will be provided.

Examinations (three)	100%
Assignments	0%
	<hr/> 100%

### Grading Scale

A+	95 – 100	B	73 – 76	C-	60 – 62
A	85 – 94	B-	70 – 72	D+	56 – 59
A-	80 – 84	C+	67 – 69	D	50 – 55
B+	77 – 79	C	63 – 66	F	0 – 49

A passing grade on 80% of the assignment portion of the course **is required** for a student to pass the course as a whole.

As per the Writing Across the Curriculum Statement in the Calendar, writing and grading thereof will be a factor in the evaluation of student work.

Any student work which remains undistributed after the last day of classes will be available to students through the instructor's office during his office hours.

Non-programmable calculators WILL be allowed during the writing of tests or final examinations.

Tests and exams WILL NOT involve multiple choice questions.

The two in class midterms will be given on Wednesday October 4<sup>th</sup>, and Wednesday November 8<sup>th</sup>. The take home exam will be given out the last day of classes and due one week later.

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the remaining exams; otherwise a grade of zero will be assigned. Documentation MUST be provided.

#### **Reappraisal of Grades and Intellectual Honesty:**

*For reappraisal of graded term work, see Calendar I.2*

<http://www.ucalgary.ca/pubs/calendar/current/i-2.html>

*For reappraisal of final grade, see Calendar I.3*

<http://www.ucalgary.ca/pubs/calendar/current/i-3.html>

*Statement of Intellectual Dishonesty, see Calendar K.4*

<http://www.ucalgary.ca/pubs/calendar/current/k-4.html>

*Plagiarism and Other Academic Misconduct, see Calendar K.5*

<http://www.ucalgary.ca/pubs/calendar/current/k-5.html>

#### **Academic Accommodation:**

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services; SAS will process the request and issue letters of accommodation to instructors. For additional information on support services and accommodations for students with disabilities Visit [www.ucalgary.ca/access/](http://www.ucalgary.ca/access/).

Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their Instructor. The full policy on Student Accommodations is available at <http://www.ucalgary.ca/policies/files/policies/student-accommodation-policy.pdf>

**Important Dates:**

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>

**Student Organizations:**

Faculty of Arts Students' Association (F.A.S.A.):

Economics Department Representative

Office: SS 803, E-mail: [econrep@fasaucalgary.ca](mailto:econrep@fasaucalgary.ca) and Web: [www.fasaucalgary.ca](http://www.fasaucalgary.ca).

Society of Undergraduates in Economics:

<https://www.ucalgarysue.com/>.

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students to succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career partnerships with the Career Centre through hosting industry nights and information sessions, recognizing achievements in teaching, and organizing social events for members. They invite you to join by contacting SUE at [societyofundergradsineconomics@gmail.com](mailto:societyofundergradsineconomics@gmail.com).

**Faculty of Arts Program Advising and Student Information Resources:**

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580 or email them at [artsads@ucalgary.ca](mailto:artsads@ucalgary.ca). You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate> which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Library Block.
- Online writing resources are available at <http://www.ucalgary.ca/ssc/resources/writing-support>.

**Evacuation Assembly Point:**

In case of an emergency evacuation during class, students must gather at the designated assembly point nearest to the classroom. The assembly point for this classroom is the Social Science Food Course.

**Safewalk:**

The Safewalk program provides volunteers to walk students safely to their destination anywhere on campus. This service is free and available 24 hrs/day, 365 days a year. **Call 403-220-5333.**

MST

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